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THE SECRETARY OF STATE
WASHINGTON

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MEMORANDUM FOR: THE PRESIDENT
From : Alexander M. Haig, Jr. *AMH*
Subject : Visit of Prime Minister Thatcher

I. OBJECTIVES

The principal objectives of the official visit and meetings with Prime Minister Thatcher are to:

- Demonstrate publicly and privately that Thatcher is the major Western leader most attuned to your views on East-West and security issues. The Prime Minister wants, above all, to build upon her relationship with you and to have her visit perceived as a very strong reaffirmation of the "Special Relationship."
- Encourage the Prime Minister to continue to support increased Western defense efforts, including east of Suez. She supports such efforts but may point to economic constraints and suggest a basic review of Alliance responsibilities. I have serious reservations about the UK plan. Other Allies could use such a study as an excuse to reduce defense efforts, including nuclear roles, and some UK ideas on changing NATO's organization or funding promise long bickering rather than results. Moreover, NATO's plate is full with Poland and other recent initiatives. You might suggest that Carrington discuss this topic with me in more detail.
- Continue to coordinate closely our response to Polish contingencies.
- Urge her to limit the EC's initiative toward a Middle East settlement (advocating PLO participation) until we have completed our policy review. She may agree, while stressing that the EC has important interests to protect in the area and intends to play a commensurate role in the peace process.
- Outline your economic strategy. Mrs. Thatcher will want to share her own experiences in dealing with the British economy.

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II. SETTING

We have benefited from Mrs. Thatcher's pro-American, anti-Soviet instincts. She believes in a politically active, outward-looking Britain. Her cooperation is limited, however, by a deteriorating economic situation.

While Mrs. Thatcher enjoys a substantial parliamentary majority, her political standing has eroded since her visit to Washington in December, 1979. This results from a serious economic downturn and unemployment of ten percent. Mrs. Thatcher's political future may be tied to the economy. Elections must be held by Spring 1984. The Labor opposition is embroiled in a left-right struggle over party policies and leadership. The policies being expounded by the left, which is ascendant, would seriously detract from the UK's role in NATO.

The following are issues which you might raise. At tab 1 are issues which Mrs. Thatcher may address but which I do not recommend you raise.

III. ISSUES

A. East-West Relations

1. Essential Factors

Mrs. Thatcher shares your apprehensions about Soviet policy and is more assertive in dealing with the Soviets than other Allies. She has been supportive of our efforts regarding the Soviet invasion of Afghanistan and contingency measures on Poland.

2. Suggested Points

- Stress our determination to pursue Western interests vigorously and that US-Soviet relations will be based on linkage.
- Soviet intervention in Poland would undermine dramatically existing patterns of East-West relations.
- We are considering additional economic assistance for Poland and plan to join in bridge financing.

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B. US-UK-European Relations

1. Suggested Point

- Tell Mrs. Thatcher we will need her support in developing productive approaches to key issues, including those outside the NATO area.

C. NATO Defense Effort

1. Essential Factors

The Prime Minister is strongly committed to improving Alliance defense. Economic difficulties have recently led her to cut defense spending.

2. Suggested Points

- Note increases in the US defense budget.
- Express appreciation for UK support of the 3% guideline while noting that actual force increases and defense improvements are much more important and greater efforts are needed by all Allies.
- The regular NATO defense planning process is the best way to improve Alliance defense.

D. Southwest Asian and Persian Gulf Security

1. Essential Factors

The British have been highly cooperative with our efforts in this region.

2. Suggested Points

- Share our current thinking on regional strategy. Encourage her to increase the UK's presence in the area (the UK has deployed three ships to the region as well as small air and ground units to Oman), while cautioning against a decline in Britain's most important NATO roles, particularly troop commitments to Central Europe.

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E. Arms Control/Security Issues

1. Essential Factors

While skeptical of the utility of arms control, Mrs. Thatcher views a continuation of SALT and TNF arms control as essential to political support for adequate defense spending in Europe.

2. Suggested Points

- The US desires that the SALT process continue. We are prepared for preliminary discussions on SALT as early as our policy review allows, taking into account Soviet conduct and activities elsewhere.
- Our policy review, including Anti-Ballistic Missile (ABM) issues, will take fully into account UK concerns regarding their nuclear deterrent. We welcomed her decision to retain a UK Ballistic Strategic deterrent.
- On TNF, we accept the two-track decision, which linked theater nuclear modernization with arms control talks. We are still examining how to proceed on the arms control track.
- On neutron warheads (ERW), no decision has been taken and we are sensitive to political problems in Europe and will consult closely.
- On chemical weapons, (CW), we intend to seek funds for plant construction in order to modernize the US inventory, which is increasingly obsolete. If in several years we decide deployment is desirable, we will consult closely.

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F. The Middle East

1. Essential Factors

The UK believes Camp David offers little prospect of further movement toward a settlement and that there is now an important role for the EC. She believes the PLO must be part of any settlement, an approach we oppose.

2. Suggested Points

- Apprise her of plans for high-level consultations with Middle East states and indicate our concern that the EC proceed cautiously, and not undercut the Camp David framework, to which we remain committed.
- Western actions and determination to defend vital interests in the area will enhance the peace process.

G. Southern Africa

1. Essential Factors

British policy is driven by a desire to avoid a vote on UN sanctions against South Africa. Mrs. Thatcher sees progress on Namibia as crucial in this regard and may ask us to take the lead. On Angola, she may express concern about an early private visit to the US by UNITA President Savimbi and caution against any effort to link a Namibian settlement to Angola and Cuban withdrawals.

2. Suggested Points

- Assure her of our interest in pursuing common goals in southern Africa, including the stability of Zimbabwe.
- We are considering next steps on Namibia and we would welcome her views.
- We are still reviewing our policy options toward Angola and will consider Savimbi's possible visit in the context of our overall policy toward southern Africa. You should not preclude possible help to Savimbi as part of our determined effort to convince Castro to leave Africa and support the West's true friends.

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H. Central America and the Caribbean

1. Essential Factors

The British share our interest in the stability of the region, though they tend to see El Salvador as a US problem of little direct interest to the UK.

2. Suggested Points

- Urge public support for our efforts to assist the centrist El Salvador government against Communist arms shipments to Marxist guerrillas.
- Urge her to maintain the present level of UK balance of payments support for Jamaica.

I. Economic Issues

1. Essential Factors

Mrs. Thatcher will wish to discuss our respective economies. She may be more amenable than other Ottawa Summit participants to our desire that North/South issues not dominate Summit discussions. She is committed to attend a North/South Summit and may ask your plans. She could help in persuading other Allies to avoid overdependence on the Soviets for energy.

2. Suggested Points

- Outline your strategy for addressing US economic problems.
- We do not believe North/South issues should dominate discussions at Ottawa. No decision has been reached about US attendance at any North/South Summit.
- The Allies should examine carefully the security implications of overdependence on the Soviets for energy. It would help if UK policy on the North Sea built in some surge capacity for natural gas.

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Appendix I: Issues Prime Minister Thatcher May Raise:

A. UK's NATO Initiative

1. Essential Factors

Mrs. Thatcher may request your support for a new study to reexamine NATO's organization, the defense roles of its members, and the idea of a division of labor, including beyond the NATO area. The proposal is vague. The eventual objective may include US agreement that Britain devote lower priority to certain European defense missions, while perhaps rebuilding a modest UK capability east of Suez. We have reservations about the study, given the prevailing mood in some NATO countries, since it could lead to pressure to reduce defense roles. On the other hand, we would welcome increased UK activity east of Suez even if some minor UK-European contentions resulted.

2. Suggested Points

-- Register some cautions about a NATO study, pointing out that others could take advantage of the process to cut back on defense efforts to placate the left or to manage budget problems. Our thinking on a number of NATO-related issues is under review and will be shared with the British.

B. Tenure of NATO Secretary General Luns

1. Essential Factors

Mrs. Thatcher believes that Luns must be replaced and that the US should initiate such an action. She may suggest Christopher Soames as Luns' successor.

2. Suggested Points

-- We do not want to replace Luns this year. Moreover, we would want to give further thought, as would other Allies, regarding a possible successor.

C. Two-Way Street in Defense Procurement

1. Essential Factors

The Prime Minister may stress that it will be politically difficult to decide in favor of costly US systems unless she can point to

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increased US purchases of British weapons. The defense trade balance heavily favors the US.

2. Suggested Points

- Reaffirm our support for continued progress on the two-way street and note that Cap Weinberger is prepared to discuss the issue.

D. Northern Ireland

1. Essential Factors

In July 1979, Speaker O'Neill persuaded Cyrus Vance to cease licensing the sale of weapons by US manufacturers to the Royal Ulster Constabulary--Northern Ireland's predominantly Protestant police force. Though the British initially regarded the suspension as unhelpful to their efforts to suppress terrorism, they tell us Mrs. Thatcher is unlikely to raise the issue with you. Our policy has been to prevent Northern Ireland from disrupting our close cooperation with the UK and Ireland by adopting a policy of strict neutrality.

2. Suggested Points

- We support British efforts to achieve a political solution to the conflict.
- While we deplore terrorism in the Province, before deciding whether to license gun sales to the RUC we would consider carefully its effect on the cooperation we have received from Irish-American leaders in discouraging support for the IRA (especially the leadership of Speaker O'Neill and Senators Kennedy and Moynihan).

E. Visa Reciprocity

1. Essential Factors

British citizens require a visa to visit the US while Americans can enter the UK without one.

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2. Suggested Points

-- We have sought since 1967 to waive the visa requirement for citizens of certain countries, including the UK. Congress has always demurred and we are considering another approach.

F. UK-Canadian Constitutional Issue

1. Suggested Point

-- We have sought to remain uninvolved in this issue which concerns sensitive relationships between Canada and Britain.

G. Breeder Reactor Cooperation

1. Essential Factors

The UK would like to expand cooperation with us in the breeder reactor area, to include a demonstration program. They are technically ahead of us in some areas and under pressure to join, at high cost, a French-led consortium. Due to the heavy cost of breeder demonstration, a properly-designed US/UK cooperative program could mean significant benefits and savings for both sides. We envisage participation by US industry and eventually by other countries, such as Japan.

2. Suggested Points

-- The US is committed to its nuclear energy development program, including breeder reactors.

-- A cooperative program in breeder reactor demonstration could benefit both the US and the UK. We hope exploratory talks can begin soon.

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DEPARTMENT OF STATE

Washington, D.C. 20520

February 25, 1981

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MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSE

Subject: Briefing Materials for the Visit of UK Prime
Minister Thatcher

The Secretary discussed the situation in Belize with the Guatemalan Foreign Minister on February 22. As a result of that discussion we are transmitting new briefing material on Belize for the President's meeting with Prime Minister Thatcher.

Attached are copies of replacement page 3 and a new page 4 of the Appendix to the Secretary's Memorandum for the President as well as a revised Issues Paper on The Caribbean and Central America (Tab 11).

L. Paul Bremer III
Executive Secretary

Attachments:

As stated

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2. Suggested Points

-- We have sought since 1967 to waive the visa requirement for citizens of certain countries, including the UK. Congress has always demurred and we are considering another approach.

F. UK-Canadian Constitutional Issue

1. Suggested Point

-- We have sought to remain uninvolved in this issue which concerns sensitive relationships between Canada and Britain.

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2. Suggested Points

-- The US is committed to its nuclear energy development program, including breeder reactors.

-- A cooperative program in breeder reactor demonstration could benefit both the US and the UK. We hope exploratory talks can begin soon.

H. Belize

1. Essential Factors

The UK wants to grant independence to Belize this year--with or without a settlement of Guatemalan claims to the colony. Failure to settle the dispute now could lead to tensions between Guatemala and Belize, invite Cuban intervention and contribute to regional

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destabilization. The British have indicated some willingness to retain a garrison in Belize after independence.

SUMMARY

2. Suggested Points

- The U.S. views on the Caribbean and Central America, in consult closely on Caribbean responsibilities, the UK, however, financial burden of its remaining determined to of 1981 despite
- There could be serious consequences in the region if Belize becomes independent without a settlement with Guatemala.
 - It is essential that the UK do everything possible to reach an agreement with Guatemala and retain a garrison in Belize after independence.

OBJECTIVES

- Urge the British to support our stance in El Salvador and to condemn Communist intervention there.
- Underline our readiness to provide economic and security assistance to the Caribbean and urge the US to maintain its present level of support for CARICOM (6 million pounds) and the entire Caribbean.
- If the Belizeans do not accept Guatemala's latest offer, seek British agreement to detach the relevant cays and cede them directly to Guatemala. Encourage the British to maintain a post-independence security guarantee in Belize.
- Seek UNO cooperation in bringing its Caribbean colonies to independence only after thorough preparation and indicate our readiness to support such regional cooperation as a "regional" coast guard.

DISCUSSION OF OBJECTIVES

- The guerrilla offensive in El Salvador was supported with massive training and weapons supplies from Cuba, Vietnam, and other Soviet allies with the help of Nicaragua. The U.S. decision to resume military assistance reflects our determination to meet the challenge of Cuban intervention aimed at undermining regional stability. The Administration will be a consistent and reliable ally of the OAS.

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MR. [unclear] 2/2/87

BY [unclear] 1/2/88

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OFFICIAL VISIT OF PRIME MINISTER THATCHER
TO THE UNITED STATES

February 25, 1981

Wednesday

- 7:15 p.m. The Right Honorable, the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, and Mr. Thatcher arrive Andrews Air Force Base via RAF VC--10.
- 12:00 p.m. Welcoming Committee.
- 7:25 p.m. Depart Andrews Air Force Base via motorcade enroute Blair House.
- 8:30 p.m. Dinner at British Embassy.
Overnight: Blair House.

February 26, 1981

Thursday

- 10:00 a.m. White House Arrival Ceremony.
- 10:30 a.m. Meeting with President Reagan.
- 1:00 p.m. Luncheon at British Embassy hosted by Prime Minister Thatcher.
- 3:30 p.m. Meeting with Senate Foreign Relations Committee.
- 4:30 p.m. Meeting with House Foreign Affairs Committee.
- 7:30 p.m. Dinner at White House.
Dress: Black Tie.
Overnight: Blair House

February 27, 1981

Friday

- 7:10 a.m. Interview with "Today" Show.
- 7:30 a.m. Interview with CBS Morning News Program.
- 8:40 a.m. Tour Goddard Space Center, Greenbelt, Maryland.
- 10:15 a.m. Tour Genex facilities, Rockville, Maryland.
- 12:00 p.m. Degree Ceremony at Georgetown University.
- 1:00 p.m. Reception at Georgetown University.
- 1:30 p.m. Luncheon at Georgetown University hosted by Reverend Timothy S. Healy, President.
- 3:00 p.m. Meeting with Secretary Weinberger at the Pentagon.
- 4:30 p.m. Interview with US Public Broadcasting Service, McNeil-Lehrer at Blair House.
- 5:30 p.m. Reception for Commonwealth Ambassadors at Blair House.
- 8:00 p.m. Dinner in honor of the President and Mrs. Reagan at the British Embassy hosted by Prime Minister and Mr. Thatcher.

Dress: Black Tie

Overnight: Blair House

February 28, 1981

Saturday

- 8:00 p.m. Background Briefing for British Correspondents followed by Interviews for BBC, ITV, and IRN at Blair House.
- 9:30 a.m. Interview with Barbara Walters for ABC's Issues and Answers at the British Embassy.
- 10:30 a.m. Departure Ceremony at the Washington Monument Grounds.
- 11:00 a.m. Depart Andrews Air Force Base enroute John F. Kennedy Airport, New York.
- 12:00 noon Arrive New York.
- 12:30 p.m. Luncheon hosted by Mr. and Mrs. David Rockefeller, in honor of Prime Minister and Mr. Thatcher.
- 5:00 p.m. Meeting with U.N. Secretary General Waldheim at the United Nations.
- 7:30 p.m. Donovan Award Dinner at the Waldorf Astoria Hotel.
- Dress: Black Tie.
- 10:30 p.m. Depart New York for London.